Workers of the World, Unite!

THE MILITANT

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YOUR STAKE IN CASE OF LEGLESS VETERAN

(See Page 2)

TRUMAN BUDGET SACRIFICES HUMAN NEEDS TO WAR COSTS

How Revolutionary Socialist Would Speak in Congress

By Farrell Dobbs

If I were in Congress today as a spokesman for the Socialist Workers Party, here is the speech I would make from the floor of the House of Representatives.

Mr. Speaker: I rise to discuss the President's message on the state of the union. We are told the state of the union is good; the people of the United States have enjoyed another year of bountiful prosperity — achieved through the system of free enterprise—thereby confounding predictions of the downfall of American capitalism.

Of course, the President admits, there are shortcomings. Four out of five people can't afford proper medical care; the nation's schools are obsolete, overcrowded and inadequately staffed by underpaid teachers; millions of families must live in rat-infested slums; racial discrimination blights countless human lives — nevertheless, we are told, the state of the union is good.

People in the lower income brackets have suffered a steady decline in living standards; half the nation's families have incomes below the minimum subsistence level of $3,200 a year; millions of aged workers live miserably on a $25 monthly government insurance dole—still, we are informed, 1948 was another year of bountiful prosperity.

Prices are too high; there are unnecessary shortages of consumer goods; our natural resources are being wasted; monopoly capitalism is tightening its stranglehold on the nation—yet the President salutes the system of free enterprise and pledges to defend it. And all you business men, bankers, lawyers and other capitalist politicians in Congress applaud that pledge.

Yes, Mr. Speaker, for a privileged few the state of the union is good and 1948 was a bountiful year. Last year corporation profits reached an all-time high of $21 billion, a big-rake-off was taken in dividends and fabulous salaries were paid in the upper income brackets.

Luxury housing was built for the well-to-do. Neither the rich, nor their cats or dogs lacked the best medical care. The finest private schools were available to their children. They had money to buy anything they needed or wanted. Those who retired can live out their lives in handsome style and still leave a fortune for their playboy sons and royalty-pursuing daughters to fight over when they die.

Small wonder the monopoly capitalists want things to remain just as they are. Let each man's home be his castle, they say, even if it is only a cold-water flat in a city slum. Let the government enter that flat, not with foolishly-expensive social benefits, but only to collect taxes, exercise police authority and levy military drafts.

The President, too, is red hot for free enterprise. However, because of his election promises, he felt compelled to commit a minor misdemeanor against the system he represents. I refer, Mr. Speaker, to the half-measures and token gestures he outlined to deal with flagrant social injustice in this country.

While the President was speaking, you die-hard free-enterprisers here in Congress whispered "socialistic," like horrified preachers shocked by a salty oath.

You pollyanna liberals, on the other hand, straining to find something progressive in capitalism, like to coin high-sounding phrases to make little things seem big. True to form, you hail the Truman program as the launching of a "welfare state."

Your excited chatter is repeated

(Continued on Page 2)

FARRELL DOBBS

ACHESON TO CONTINUE MARSHALL WAR POLICY

The replacement of Marshall and Lovett as Secretary and Under-Secretary of State by Dean Acheson and James E. Webb Jan. 7 has touched off speculation on the possibility of a shift in the foreign policy of the Truman Administration.

The liberals in particular are heartened. They point to a number of incidents which add up in their opinion to a possible turn toward peace and a slackening of the drive toward war with the Soviet Union.

These incidents boil down to Truman's much publicized remark about Stalin, "I like old Joe," his recent off-the-cuff assertion that "certain leaders" of the USSR "are exceedingly anxious to have an understanding with us," and the publication of a presumably informed article in the Jan. 10 Life magazine asserting that Truman has long bucked the warmongering military clique and the munitions makers who have dominated the State Department through Marshall and Lovett.

One fact alone however rips this illusion wide open: Truman's military budget. What is the biggest peacetime armaments budget in American history for if not war?

Truman is not lying when he declares that the shift of State Department personnel means no basic change in policy.

However, that does not exclude a tactical shift. The bristling, get-tough diplomacy has not won friends. On the contrary, it has handicapped the propaganda that pictures atom bomb stockpiling as nothing but insurance for peace.

With a civilian in charge of foreign policy, Wall Street's military objectives are more easily covered up. Acheson becomes the velvet glove on the military first.

Consequently, we can expect diplomatic moves designed to show that Truman really seeks peace and that if the preparations for war must be continued it is not his fault.

Under Wall Street's government there is no chance for enduring peace. The mere fact that feverish speculation breaks out over chance remarks and the rise of new favorites at the White House court shows how little say the people have in this life and death question. The working people are left without any safeguards whatever. They are deprived even of the elementary right of being consulted through a referendum vote before America can be plunged into war.

Thus we have the ironic and tragic spectacle of an entire country, the most powerful in the world, wondering whether this or that Big Business representative appointed by Truman will speed or slow down the timetable of the projected atomic conflict.

CIO Tax Program In Sharp Contrast To President's

Would Shift Burden From Poor to Rich

A federal tax program in sharp contrast to Truman's proposals was issued by the national CIO in Washington on Jan. 9. The CIO's program, based on a study by its Department of Education and Research, calls for income tax exemptions as high as $4,200 for a family of four. It would slash $6.5 billion from the total income tax load of lower and middle-income taxpayers.

TRUMAN FAILED

Not only has Truman failed to mention reduction of taxes for the lower income brackets, he is proposing to hike payroll taxes by a total of 1%. This will add almost $2 billion in payroll deductions, half of which will come directly from the workers' pay-checks.

Calling for a drastic shift in the tax burden from the poor to the rich, the CIO advocates a $6.2 billion increase in corporation profits taxes and a $1.8 billion increase through other measures to top big incomes.

Truman has called for $4 billion more in taxes to be secured by new legislation that will raise the taxes of corporations "principally." **However, he has not even called for restoration of excess profits tax rates sliced by the Democratic 79th Congress.** His budget actually includes an estimate for 1950 of only $140 million from excess profits taxes — $54 million less than this year's estimated receipts from the same source. Corporation income taxes, on the basis of the budget, are figured for less than a $600 million increase in 1950.

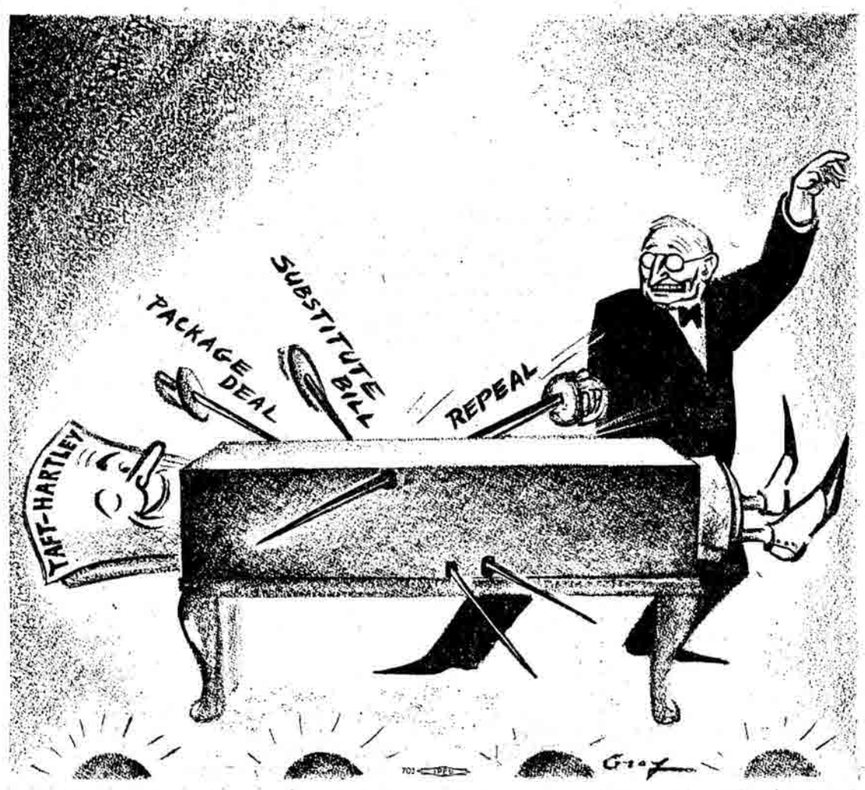
CUT CONSUMER GOODS TAX

The CIO also demands a $1.3 billion cut in excise taxes, which are levied on consumers goods. In his budget message, Truman states: "Excise taxes are expected to continue the gradual upward trend of recent years." Instead of a cut in such taxes, he proposes a $185 million increase.

The CIO study concludes that it is possible to grant substantial tax reductions to the lower income brackets within Truman's proposed budget, although they approve the government's continued monstrous expenditures for military purposes. It is precisely on the basis of his military program that Truman proposes to maintain and increase the tax load on the working class.

Warren Billings, famous class war prisoner (left) shown with George Novack. Both are now actively helping James Kutcher.

The Old Sword Trick



Help for James Kutcher Growing on West Coast

Broadening support for James Kutcher's fight for justice was reported last week from the West Coast. Following similar action by the Connecticut, New Jersey and Ohio CIO State Councils, the California CIO-PAC on Jan. 6 endorsed the efforts of the Kutcher Civil Rights Committee on behalf of the victimized veteran.

In a letter to Hugo Rasmussen, director of the Southern California Kutcher Committee, John A. Despol, secretary-treasurer of the California CIO-PAC, said: "While we do not necessarily agree with the views held by Mr. Kutcher and his party, we are firmly of the opinion that the right of free speech and the right of unrestricted political activity, until such political activity is proven to be contrary to the general welfare of the American people, must be upheld for all citizens."

Despol also congratulated the committee on "the very firm and forthright position in defense of civil rights" it has taken in Kutcher's case.

BILLINGS' STATEMENT

In San Francisco Warren K. Billings, famous class-war prisoner who served 23 years in San Quentin in the Mooney-Billings frameup, issued the following statement protesting Kutcher's discharge:

"The firing of James Kutcher, a legless veteran, from his Veteran's Administration job for his political beliefs, is a deplorable situation, which must be fought from every angle. This is part of the same pattern as the Un-American Activities Committee. They all follow the same line of Fascist thought-control.

"We must fight Fascism wherever we find it; on every individual issue, every state and national case, the Vern Smith case and the James Kutcher case. Because of this I feel we must all support the fight of this legless veteran to hold his beliefs and retain his job."

In addition to Warren Billings, two other prominent defenders of civil liberties in California have joined the National Committee of the KCRC and will participate in its campaign on the West Coast. One is Carey McWilliams, noted author of **Factories in the Fields** and the recently published account of the Spanish-speaking people of the United States, **North from Mexico**, who has played an active part in many outstanding defense struggles in California.

The other is A. L. Wirin, chief counsel of the American Civil Liberties Union in Los Angeles and well-known labor lawyer.

Prominent Educators Join Cleveland Group

CLEVELAND — The following educators have joined the local Kutcher Civil Rights Committee, Secretary James Christianson announced:

Fenn College: Dr. Major B. Jenks, dean of Arts and Sciences, and Dr. Ruby Redinger, head of Philosophy Dept. **Western Reserve Univ.:** Prof. D. G. Barnes, head of History Dept., and Prof. Calvin S. Hall, head of Psychology Dept. **Cleveland College:** Prof. Henry M. Busch, head of Sociology Dept.

Next Week's Militant Will Be a Special Lenin Memorial Issue

A-Bomb Gets 7 Times More Than New Housing Program

By Art Preis

$32 billion of Truman's proposed $42 billion federal budget for the next fiscal year will go to pay for past wars and preparations for the next war. Only $10 billion will go to all other government expenditures.

Less than $600 million is formally budgeted for the start of Truman's promised "Fair Deal" program of housing, aid to education, health insurance, etc. This contrasts with $740 million Truman asks for the Atomic Energy Commission to develop and produce atomic bombs.

The A-bomb alone will get nearly seven times as much as Truman's much-vaunted low-cost housing program. Proposed new projects for low-rent housing will get only $129 million.

Extension of social security benefits, including old-age pensions, and financing of the proposed health insurance program will come directly from the pay envelopes of the workers themselves. The budget calls for increased pay-roll taxes of nearly $2 billion per year.

Topping the budget list is $14.3 billion for direct military expenditures — an increase of $2.5 billion over last year's budget. For "international affairs" — that is, the conduct of the "cold war" — another $6.7 billion is added.

Thus, one half of the entire budget — the largest war budget in peacetime history — will go to feed militarism at home and abroad. However, Truman warns in his budget message that "defense expenditures. . . are expected to be higher in 1951." He added that the budget for "international affairs" does not include sums for military supplies that he intends to request later for North Atlantic Pact countries and "certain other countries."

One of the four biggest budget items is interest on the country's $252 billion war debt — $5.4 billion to the bankers and bond-holders to maintain the government's credit, so it can pile up new debt to keep the arms profiteers happy.

Another 13% of the budget — $5.5 billion — goes to veterans' benefits. This is a slash of $1.3 billion from last year's figures. Part of this cut in benefits to the victims of past wars is the cancellation of 24 veterans' hospital projects and a reduction in the planned capacity of 14 other hospitals. This is the only war cost that has not been increased.

Proposed expenditures for direct military and "cold war" purposes — exclusive of the A-bomb and other war items concealed under headings like "Natural Resources Development" — are nearly ten times the total sums budgeted for social welfare, health and security. These amount to less than $2.4 billion, an increase of only $400 million over the last budget.

Total expenditures for "Housing and Community Facilities," including projects already authorized and under way, will be increased by only $39 million, to $388 million. But only $144 million of this is for public housing, including the $129 million project yet to be authorized by Congress.

Here in cold dollars and cents, stripped of all demagogy and "Fair Deal" phraseology, is the real Truman program. It spells "guns instead of butter," a heavier and heavier tax load on the masses, militarism and war.

Where Your Tax Dollar Is Going

Here's how Truman wants to spend each dollar of your taxes in the next fiscal year:

Budget Item	Cents
Armed Forces	34
International (Cold War)	16
Interest on war debt	13
Veterans' benefits	13
Social Security & health	6
Natural Resources (A-Bomb, etc.)	5
All other	13
Total	$1.00

The Fight Over the Taft Act

An Editorial

Top labor leaders, both CIO and AFL, are reported "uneasy" and "disturbed" about the way Truman and the Congressional Democrats are handling the issue of the Taft-Hartley Act. Union officials are expressing fears of a "run-around" by Truman on his key campaign promise — unconditional repeal of the Taft-Hartley Act.

Even before the 81st Congress began its session, three prominent labor spokesmen issued public warnings to Truman and the Democrats that they'd better come through speedily on their promises or labor might seek a new political road. Both Jacob Potofsky, head of the CIO Amalgamated Clothing Workers, and Daniel J. Tobin, head of the AFL Teamsters, spoke of the American workers taking the road of British labor and building their own party if Truman hedged on his promises. Allan L. Swim, editor of the CIO News, urged the Democrats not to fail on their promises if "the nation is to avoid the creation of a real third party."

Good Reason for Uneasiness

If these timid and conservative union leaders felt impelled to such threats so soon after the elections, how much more reason the union ranks have for "uneasiness" today. **Truman has revealed himself AGAINST repeal of the Taft-Hartley Act until and unless a "substitute" union-curbing bill, containing some of the worst features of the Taft-Hartley Act, is enacted.**

Both the CIO and AFL are demanding immediate unconditional repeal of the Taft-Hartley Act and restoration intact of the original Wagner Act. The Truman administration is maneuvering to get Congress to act on a "one-package" bill, which combines repeal of the Taft-Hartley Act with simultaneous revision of the Wagner Act to include a number of Taft-Hartley features.

It is clear that Truman intends to keep the club of the Taft-Hartley Act — which he used so effectively against the railroad workers, miners, printers, maritime and atomic workers — until he has another strikebreaking law at his disposal. While Taft-Hartley repeal is stalled in debate over amendments to the Truman "one-package" bill, the club of the Slave Labor Law will remain poised over labor's head this spring as the workers prepare for the "fourth round" wage drive.

Big Business has quickly sensed its opportunities. It is rallying its forces and dispatching an army of lobbying "shock troops" into Washington. It is lining up its Congressional agents, open and concealed, to stall, "amend" and "revise" every proposed progressive measure. Wall Street is in there pitching full steam. **And that's what the mighty host of labor should be doing, instead of warming the bench and "waiting for Harry."**

A united grass-roots movement of millions of unionists should be mobilized into action against the millions of dollars and powerful lobbies that Big Business has unloosed on the White House and Congress. Organized labor must quickly mount a counter-offensive, the spearhead of which should be a National Congress of Labor to convene in Washington, D. C., before the very front door of Congress.

There is already a wide body of influential labor opinion, both CIO and AFL, behind such a Congress of Labor. The AFL International Typographical Union proposed such action last August. The top board of the CIO National Maritime Union has endorsed the proposal. Since the election, in addition to a number of local unions, the powerful Illinois State CIO Council has urged a Congress of Labor of all union bodies to fight in Washington for labor's program.

Don't Rely on Back-Room Deals

CIO President Philip Murray several weeks ago addressed an appeal to the AFL and Railroad Brotherhoods leaders for a joint legislative conference. The CIO leaders should carry this appeal further and call a Congress of Labor, inviting representation not only from all its affiliates but all other national labor bodies and their affiliates.

Meanwhile all local unions, whatever their affiliation, should immediately adopt strong resolutions demanding that their national officials take action now to make the Congress of Labor a reality. Don't rely on back-room deals and verbal pleas of individual union leaders to defend labor's interests in Washington. Nation-wide, united, independent action of all labor alone can ensure the victory of labor's demands.

Your Stake in the Case of the Legless Veteran

By George Breitman

If you're serious about participating in the fight for a better world, the case of James Kutcher concerns you directly and totally. For it is (1) a gauge to the state of civil liberties in the U. S.; (2) a test of the readiness and ability of the labor and liberal movements to preserve them; (3) a contest to decide if the administration can by decree outlaw the Socialist Workers Party and other political opponents.

In the beginning there was a certain tendency, especially among liberal opponents of thought-control, to regard the Kutcher dismissal as a "blunder" or "hysterical excess" that would surely be corrected on second thought. The Truman administration for its own reasons encouraged this idea for a while, but today it can be given no credence whatever.

It is true that the government had no idea when it started the persecution of Kutcher last August that it would meet any more resistance in his case than in the hundreds of others that are being handled behind the scenes and disposed of far from the public eye.

But they miscalculated. And they were visibly embarrassed when Kutcher decided to fight back, took the case to the public and set off a storm of outraged protest—right in the midle of the election campaign. The purgers could not help noticing, furthermore, that the protests came not only from the administration's political opponents but also from some of its firmest political supporters, including a section of the union leadership.

They therefore proceeded cautiously. At the VA Branch Loyalty Board hearing in Philadelphia last September, Kutcher was told his membership in the SWP would not automatically dictate an adverse decision and that his case would be considered fairly on its own merits.

Attorney General Clark invited Kutcher to Washington for a conference. He as much as promised that if Kutcher refrained from making "political capital" out of the case, he himself would intervene to help restore Kutcher to his job. He explicitly promised to discuss the case with Gen. Carl R. Gray, VA Administrator. And a few days before the election, he stopped off in Newark to tell reporters that Kutcher's "war record is very much in his favor as far as I am concerned."

From then until the election, rumors were circulated that the whole thing had been a mistake, Kutcher would surely get his job back, etc. After the elections, reporters even phoned Kutcher to check on the story they had heard that he was to get his job back any day.

All these pretenses were blown sky-high last week when Gen. Gray confirmed the dismissal of Kutcher on the basis of a new Loyalty Board directive, Memorandum No. 32, dated Dec. 17. This document—the first change in the purge procedure since Truman's election—makes it mandatory to dismiss from government employment all members of the Stalinist party, the SWP and the Workers Party.

From now on, the purgers won't even pretend to consider each case on its individual merits; from now on, mere membership in these organizations will be considered conclusive guilt of "disloyalty." Kutcher will have another administrative hearing in the near future—before the top Loyalty Review Board in Washington—but Memorandum No. 32 guarantees in advance that he'll get no semblance of real consideration or justice there.

WHY THEY'RE ADAMANT

All this makes it perfectly clear now that the decision to purge Kutcher was not the accidental result of routine operations on the part of some secondary bureaucrat. It is a question of policy, arrived at and executed by the highest officials in the administration. They know what they're doing, and they're doing it with a purpose.

The quesion that arises at this point is: Why is the administration following such a get-tough policy toward Kutcher? Why doesn't it "make an exception" in this case, restore Kutcher to his job and thus put an end to the furore the case has raised?

Because Kutcher's fight has posed the problem of the blacklist as a matter of principle, and can now be settled only on that basis. Kutcher has shown that it is not only a matter of individual injustice, but of political discrimination against his party and all the other groups on the list. He has proved that it is really impossible to separate these questions—a fact which the administration admits in its own way and from its own viewpoint by the publication of Memorandum No. 32.

This memorandum indicates that the government cannot give way on the Kutcher case without further discrediting the whole purge system. To reinstate him now would be in effect to admit the discriminatory and arbitrary nature of Clark's inclusion of the SWP on the blacklist. And that in turn would deal a moral blow to the blacklist system itself from which it might not recover. That is why the administration refuses to halt its persecution of Kutcher, and why the importance of the case transcends his individual fate as well as the political rights of the SWP, vital as both of these are.

The administration's toughness in this case may be puzzling to liberals, who expected the Democratic victory of Nov. 2 to stimulate a new flowering of capitalist democracy. But it will hardly come as a surprise to readers of The Militant, which has consistently emphasized the threat that the bi-partisan war policy holds for democratic rights. What it proves is that the workers can rely only on their own organized strength for the preservation of civil liberties.

WIDE SUPPORT

That the struggle against thought-control can be effective is already shown by the extent and diversity of the support enlisted on behalf of the veteran by the non-partisan Kutcher Civil Rights Committee even before Memorandum No. 32 fully clarified the nature of the problem.

As was to be expected, the greatest help has come from the labor movement, and above all the CIO. The greatest credit belongs to the New Jersey CIO for its initiative in helping to launch the defense movement. The national CIO through its Committee to Abolish Discrimination, also helped effectively in the early stage of the case. Two CIO internationals — auto and retail clerks — and several state and local councils are on record to help Kutcher, and some of them are quite active in winning moral and financial support. Some AFL unions and leaders are doing the same.

Civil liberties groups, liberal bodies including a number of ADA branches, the national AVC and religious bodies embracing several denominations are also engaged in the defense campaign.

Press comment has been extensive and sympathetic. So far only one out of scores of editorials has been hostile (Newark Star Eagle). Columnists of assorted political views have denounced the government's persecution of Kutcher. Virtually all the liberal journals have taken a stand; only the New Republic and Socialist Call have not yet found space to express their views. Editorials in even conservative papers have supported Kutcher's demand for a public hearing for his party.

The leaders of the Communist Party further discredited themselves in progressive opinion by refusing to support the Kutcher fight against the blacklist. They thereby undermine the very principle of labor solidarity against reactionary attacks which alone can put an end to government repressions against them as well as other working class groups. The CP position on Kutcher has provoked considerable dissatisfaction among some of their rank-and-file members.

Not all of the supporting groups take the same approach to the case. Some are concerned primarily with what happens to Kutcher as an individual; others stress the fact that the job he held was "non-sensitive" or that the SWP is "small and harmless" or that it is anti-Stalinist.

FUNDAMENTAL ISSUE

On the other hand, some recognize that fundamental civil liberties issues are at stake. The national CIO, for one, called at its last convention for the scrapping of the blacklist itself. And there are many other groups which, while not opposing the blacklist as such, condemn the way in which it was drawn up by one man, the Attorney General, and demand that each group accused should be given a fair and public hearing at which it could defend itself.

In one sense these very differences are an encouraging sign. They show that the Kutcher case can be the starting point for a genuinely broad movement of struggle against thought-control. They show that while the witch-hunters have had some effect in confusing wide numbers of people, they have by no means extinguished the democratic traditions of the American people, and that there is a great reservoir of organized strength which can be drawn on to overcome the assaults against political freedom and reserve the trend to reaction.

The Kutcher case is sure to go to the courts now that the Loyalty Review Board has tipped its hand on the kind of administrative "hearing" it is preparing for Kutcher. A great legal contest will ensue, but the real decision will not be made by the courts. It will be made by the working people and their organizations. And that depends in great part on the energy and intelligence with which the mobilization of national support around the Kutcher case is approached by the politically more advanced workers.

OUR DUTY

Much has already been accomplished, but it's only a beginning. A liberal may be able to content himself by voting for a favorable resolution, donating a few dollars and wishing good luck to Kutcher. But that will never do for people who have a greater understanding than the liberals of the dangers of the witch hunt and the opportunities the Kutcher case gives us for combatting it.

James Kutcher has gone all-out in the fight for civil and political rights. Class-conscious readers of The Militant and members of the SWP can do no less. If we don't, we'll be remiss in our duties not only to Kutcher but to ourselves and the rights of the workers as a whole, and we'll be violating the high standards of working class morality. We must suit our deeds to our understanding of the necessities.

In its essence the Kutcher case is a fight to prevent the political party in power from outlawing its political opponents and thus paving the way for full-scale dictatorship. That means it is also a fight to prevent the outlawing of revolutionary socialism. In such a fight no half-way measures are permissible. We must give everything we've got to this fight. We've got to go out now and rouse the whole working class.

Leaders in Kutcher Fight

The help given to James Kutcher's fight against government persecution is symbolized in the above picture showing the legless veteran (center) with two of his chief supporters — George Novack, secretary of the Kutcher Civil Rights Committee (left) and Carl Holderman, president of the New Jersey CIO Council (right).

The White House's Steel Plan--Is It 'Socialistic'?

The steel monopolists, organized as the American Iron and Steel Institute, and the capitalist press generally are screaming "socialistic!" at Truman's proposals for government measures to force expansion of steel production facilities.

What provoked this wild clamor was the last part of Point 8 of Truman's "anti-inflation" program in his "State of the Union" message. This called on Congress (1) "to authorize an immediate study of the adequacy of production facilities in critically short supply, such as steel"; (2) "if found necessary, to authorize Government loans for the expansion of production facilities to relieve such shortages"; and (3) **"to authorize the construction of such facilities directly if action by private industry fails to meet our needs."**

On Jan. 7, two days after stating the above, Truman himself hastened to reassure the steel industry and other monopolies that he intended nothing remotely in the way of "socialization" or even "nationalization." At a Washington press conference, he emphatically denied that he planned "to put the government into the steel industry."

If a government study found steel plant capacity insufficient and if the steel industry refused to expand even with government loans, then, Truman said, the government might have to build steel plants which would be "integrated" into the private steel industry. He illustrated his point by recalling that during the war the Defense Plant Corporation had spent $21 billion to build plants, most of which were built into existing privately-owned industries.

In view of this statement, it is nonsense to suggest that Truman has in mind anything more radical than what the government did during the war, when it built and owned 6% of the nation's total steel ingot-making facilities, which were hired out to the steel corporations to operate for private profit. Only 28 of 285 such steel-producing facilities were independent units. Most of them were scrambled together with privately-owned plants and are usable only as part of these plants.

At this very time, Truman's War Assets Administration is trying to turn over to the steel monopolies, through sale or lease, the iron and steel plants and other facilities still under government ownership. Some of these have already been sold at a third or less of the original cost. But the steel companies are holding out for rock-bottom prices on the rest with the intention of acquiring these plants for next to nothing.

Truman's proposals are designed exclusively to put pressure on the steel companies to expand and increase their output. He has been driven to this pressure campaign by the needs of the militarization program and the tremendously inflated costs of that program due, in part, to the monopoly price-fixing policies of the steel industry, the key industry in peace and war. As Truman's Council of Economic Advisers stated in the report on which his own Economic Report to Congress was based, "Steel has presented the outstanding shortage problem since the war, and would present grave danger in case of the need for a much enlarged defense program."

The steel monopolists, headed by such giants as U. S. Steel and Bethlehem Steel, follow a calculated policy of limiting total steel production facilities to keep production behind demand and thereby maintain maximum steel prices. Competitive demand for steel between the government and private markets — between armaments and automobile producers, for instance — has enabled the steel industry to tack repeated big price boosts on steel in the past three years. The automobile monopolists have been yelling the loudest about the short supply and high prices of steel.

Truman's proposals help throw light on the monstrous power of the steel trust, its strangulation of production in order to maintain monopoly prices even at the expense of the militarization program of which the steel industry is the greatest beneficiary. But Truman does not propose to infringe on this monopoly, let alone destroy it. At most he proposes to build additional plants at public expense to be turned over to the steel monopoly.

This monopoly will never be broken until the handful of coupon-clippers who own and control the steel industry are expropriated, the industry taken over completely by the government and operated under workers' control through democratically-elected committees of workers and technicians.

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HOW A REVOLUTIONARY SOCIALIST WOULD SPEAK IN 81ST CONGRESS

(Continued from page 1)

by the capitalist-minded top union officials and by the no less middle-class minded Social Democrats, who are not socialists at all.

"The truth is that the Truman program is not "socialistic," as the reactionaries assert. It is not the beginning of a "welfare state," as the liberals contend. Nor is it proof that capitalism can, and is ready and willing, to improve the social welfare of the working people, as the President claims.

"The Truman program is the result of a political blunder by the big monopoly capitalists. Here is the way it happened.

Back in 1946, DuPont, Rockefeller, Ford and their kind decided the Republicans would be more useful than the Democrats for their political offensive against the workers.

POLITICAL BLUNDER

The Republicans turned all guns on the Democrats, eager to get at the juicy federal patronage after 14 years on iron rations. They captured the 80th Congress and put through the line of the National Association of Manufacturers. Restraints were lifted on profiteering, taxes cut for the rich and a slave labor law enacted — not without help from the Democrats.

Drunk with confidence of a Dewey victory, the Republicans were dividing up the Washington political spoils long before election day. The demoralized Democrats tried to dump Truman for a dark-horse candidate, but it didn't work.

Then toward the end of the campaign Truman got a little radical; his promises to do something for the working people struck a responsive chord; and he was elected. I see, by the way, you Republicans are again wearing that lean and hungry look.

Their calculations thus rudely upset, the monopoly capitalists must now use Truman instead of Dewey to militarize America for a war of conquest and to coin huge profits from it.

Truman will serve them readily enough. He hasn't gone over to the side of the workers. When the President said after the election he wasn't mad at anybody, he was telling the capitalists he's still their man.

Big Business knows that it must now make a few small concessions to the workers, while preparing for the next attack on them. Therefore, Truman won't have too much trouble, for instance, in promoting a little federal aid to the states for educational facilities. But the capitalists don't want any of this tomfoolery about a government medical program.

ROLE OF CONGRESS

You capitalist politicians here in Congress have your work cut out for you. The President has asked precious little from you for the working people. Nevertheless, Big Business expects you to get out your knives and whittle down his program. You'll do it, too.

The nine life-termers over in the Supreme Court are also in there pitching for monopoly capitalism. They have already helped along the NAM campaign for vicious anti-labor legislation in the states by their decision upholding the anti-closed shop laws.

I don't contend, Mr. Speaker, that the President telephones Wall Street every morning to get his orders. I believe he has sincere motives of his own for some of his actions. Yet I still say he is an agent of monopoly capitalism.

He staffs his administration with investment bankers, corporation lawyers, generals and admirals. He is a co-conspirator in the firing of the legless war veteran, James Kutcher, because of his anti-capitalist political beliefs.

He has engineered strikebreaking injunctions and outrageous fines against workers fighting to defend their standard of living. In every real showdown between capital and labor, the President lines up with Big Business against the workers.

THE COLD FACTS

Look at the budget submitted by the President! Here are cold facts that cut through the noble-sounding but empty words of his state-of-the-union message like a hot knife cuts butter.

For every dollar the President demands for war, he asks only two cents for the expansion of social security services.

The national wealth can't be used to fight a global war of conquest and at the same time care for the needs of the people. The monopolists solve that problem by saying profits and war come first and to hell with the people.

The President's budget and his renewed demand for universal military training show he is all-out for the war. But he is ready to give the people a little something too—two cents extra for each war dollar. The monopolists call that "socialistic."

In the name of the Socialist Workers Party, Mr. Speaker, I shall introduce in this Congress legislation to halt the mad drive toward war and the plundering of the people by the profit hogs.

Here is the action I shall demand. You free-enterprisers will be 100% correct for a change if you call it a socialist program.

WORKERS' PROGRAM

Repeal the draft laws and return our youth to the schools and colleges where they belong. Cancel the military budget and use those billions of dollars to build homes, schools, hospitals, playgrounds, child-care centers and other community social services.

Nationalize the basic industries and operate them under the democratic control of the working people. Put the capitalists to work at honest toil. Honor people for what they give to society, not for what they steal from it.

Plan production according to the needs of the people. Utilize our rich resources and technical skills to fulfill human needs. Provide full economic security for the aged and the infirm.

Furnish complete medical care to everybody, from the cradle to the grave. Give each child a complete education in his or her chosen field of learning.

Provide a happy, healthy and abundant life for all, on a basis of full equality, regardless of race, color or creed.

I shall fight for that program in this Congress, and I shall expose every twist and turn you capitalist politicians make in your efforts to deceive and cheat the working people.

World Events

By Joseph Hansen

The Real Stake in the Blitzkrieg Attack Launched by Dutch Despots on Indonesia

Reports are beginning to filter through the censorship of guerrilla resistance against the Dutch despots in Indonesia. This is only a token of what the Dutch can expect as the 76,000,000 people of Indonesia rise in all their power to cleans the land of colonial rule.

The Dutch imperialists claim their blitzkrieg war is aimed at bringing "freedom" to Indonesia. Their real objectives, however, are not that idealistic. The 3,000 islands that comprise the archipelago happen to have natural resources of extraordinary richness and variety.

In 1937, of the world supply of cinchona bark from which quinine is made, Indonesia produced 90%; pepper 79%; kapok, used for surgical dressings and in insulating aircraft, refrigerators etc., 70%; rubber 38%; copra used in the manufacture of soap margarine, etc., 30%; sisal, an important fiber, 23% tea 17%; and oil palm products 20%.

This far from exhausts the list Indonesia is a big producer of coffee and fine tobacco. It is exceeded only by Cuba in the production of sugar. Three-fourths of the world's nutmeg comes from these rich islands as well as vast quantities of cloves, vanilla, cinnamon, ginger and other spices. Indonesia is first in production of tapioca, familiar to most people as raw material for pudding but much more important in the manufacture of glue and mucilage.

Still we haven't come to the end of Indonesia's wealth. Before World War II, it rated fourth in the production of oil About 65% of the world's tin came from Indonesia. Among other minerals it produces manganese, phosphate, gold, silver bauxite, diamonds, sulphur and coal. Vast deposits of iron, nickel lead, zinc, sulphur and copper are still untouched.

On top of all these great natural resources, the soil is so productive that with the right crops and agricultural methods and the removal of restrictions on production, Indonesia can provide ample food not only for the present population — the densest on earth per square mile — but even a far bigger population. According to one authority, Indonesia can easily support three times its present inhabitants.

Is it any wonder that the Dutch imperialists are anxious to restore their grip on these fabulously rich tropical islands?

In the early days, when the Dutch first brought the blessings of Christianity to a civilization which they at that time recognized as superior to their own, the profits of this holy enterprise were phenomenal. Running down the long column of dividends declared by the Dutch East India Company in the century or so following 1600, you find the stockholders consistently hitting a 33% jackpot, with much higher returns from time to time.

The lucrativeness of investments in Indonesia has not declined in recent times. In 1937, for example, Indonesian imports were 616 million guilders (a guilder, or florin, was then worth aobut 55c.); while exports reached 1,009 million guilders, a favorable balance of 493 million guilders. As one apologist for Dutch imperialism, Jacob van Gelderen, observed: "A rate of surplus value of exports of 49 percent of the total exports during 1937 and of 34 percent during 1938 is a remarkably high one."

Van Gelderen continues: "The surplus of exports is the source from which the yearly amount of interest, profits, dividends, various overhead expenses, pensions of officials, etc., are paid. . . During normal years the total interest, dividends and profits appearing in the balance of payment has been calculated at 300 to 400 million florins. . . The amount of interest of the Government debt is calculated at nearly 70 million."

The real source of this loot of course is not the favorable bookkeeping balance, but the unpaid labor of the Indonesian people. The great bulk of the Indonesian population is agricultural. How low their pay is can be judged from the simple but eloquent fact that the cost of sugar production on the huge foreign-owned plantations is the lowest in the world.

Since the turn of the century, the development of western industry with its changing raw material requirements has been reflected in Indonesia by a shift toward mining and oil and rubber production with the consequent appearance of a small industrial working class.

In 1938, Dutch statistics listed a total of 1,630,000 workers divided as follows: 670,000, mostly women, engaged in such occupations as weaving, generally in their own homes; 840,000 workers in enterprises employing 20 to 30 hands; and 120,000 in large factories.

Up until recent years, there was virtually no native Indonesian capitalist class. The ruling class consisted almost exclusively of a thin layer of Dutch enthroned over the vast sea of cruelly exploited brown laborers.

The total number of Europeans in Indonesia in 1920 was only 170,000. In 1930 the figure was 242,000. By way of comparison the normal annual increase of the Indonesian population is 750,000.

The Dutch are not the only ones with investments in Indonesia. No accurate figures are available on the size of various holdings. A 1929 estimate gave the Dutch 75%; British 13.5%; Franco-Belgian 5%; American 2.5%; German 1%; Japanese 1%; others 2%. Since then, however, there has been a decided shift. American purchases of Dutch stocks are known to have risen sharply. In addition, through financial and political pressure, American imperialism is able to exercise great weight in Dutch affairs.

If Dutch stockholders are still first in line to benefit from the re-conquest of Indonesia, American stockholders are not far behind. In addition, direct investments of American imperialists in Indonesia have been increasing in recent decades. So has trade.

Among the American companies with tentacles in Indonesia are Goodyear Tire and Rubber, British American Tobacco, Standard Oil, Shell Oil, Colgate-Palmolive Peet, National Carbon, General Motors and International General Electric.

These powerful economic ties indicate why the State Department gave full financial and military support to the Dutch drive against the Indonesian Republic. They also indicate why the State Department refuses to cut off Marshall Plan aid to the Dutch today despite the face-saving protests over Dutch methods that are being placed on the record of the United Nations.

THE MILITANT ARMY

Renewals Were 83% Of December Subs

Renewals comprised 83% of the 424 December subscriptions to **The Militant.** One out of every four was a combination sub with **Fourth International,** monthly Trotskyist magazine. 65% were for a year or more. All these percentage figures are nearly double the average rates.

Philadelphia easily led all branches with 83 subs, mostly renewals and nearly half of them from new readers who first met **The Militant** during the election campaign.

Boston came through with 14 more last-minute renewals to win second place in the branch sub list. Boston turned in a total of 48.

* * *

The December total of 424 subs was 43% higher than for November and only 10% less than for October, final month of the election campaign sub drive. Many readers hurried to renew under 1948 rates. This year a subscription to **The Militant** is $2 a year, and a combination with **Fourth International** $4 a year.

* * *

Here are the main branch totals for December. Branches not listed sent less than 10 subs each.

Philadelphia	**83**
Boston	**48**
Detroit	**44**
New York	**34**
Los Angeles	**30**
Newark	**26**
Minneapolis	**19**
Chicago	**13**
Oakland	**10**
General and Small Totals	**117**
TOTAL	**424**

These branch totals include all subs from branch areas, sent direct to this office by subscribers. Direct-by-mail subs totaled 93 in December, far the highest total on record — although such records are not generally kept and are very incomplete. From some areas direct subs accounted for most of the branch totals in December. Branch members were thus freed from part of their strenuous leg-work.

Subscriptions: $2 per year; $1 for 6 months. Foreign: $3.50 per yr; $2 for 6 mos.
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THE MILITANT

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TROTSKY

"Bolshevism brought an invaluable contribution to Marxism in its analysis of the imperialist epoch as an epoch of wars and revolutions; of bourgeois democracy in the era of decaying capitalism; of the correlation between the general strike and the insurrection; of the role of party, soviets and trade unions in the period of proletarian revolution; in its theory of the soviet state, of the economy of transition, of fascism and Bonapartism in the epoch of capitalist decline; finally in its analysis of the degeneration of the Bolshevik party itself and of the soviet state."

—Leon Trotsky, Stalinism and Bolshevism, 1937.

LENIN

Slum Clearance or Slum Creation?

Trumanite liberals and housing experts have been shocked into bitter complaints by the miserable housing program Truman has proposed. Lee F. Johnson, Executive Vice-President of the National Public Housing Conference, calls it a "bitter disappointment." The *N. Y. Post* Housing Adviser, Charles Abrams, terms it "disheartening."

Abrams points out that Truman's program for 150,000 new low-rent units a year (for 7 years) would require 35 years to clear existing slums, based on Truman's estimate of 5 million substandard dwellings. Since the kind of dwellings now being built will be slums themselves in less than 35 years, says Abrams, "we shall be clearing slums at a slower pace than we create them."

Moreover, Truman makes no provision for more than 3 million doubled-up families and expanding population. And actually, according to the Twentieth Century Fund study, "America's Needs and Resources," there are 7 million—not 5 million—non-farm dwellings that should be torn down and replaced, and 2 million more will be in that condition in 13 years.

A year ago Truman said: "Within the decade we must see that every American family has a decent home." His specific program, in flagrant disregard of his campaign promises, will mean even more slums 10 years from now.

The American people can't have it both ways. They can either bow to Truman's $21 billion annual "cold war" expenditure, or force the government to spend these billions on the country's most acute social problem—housing.

Trial of 12 Stalinists

The first victims of the Smith Gag Act were the 18 leaders of the Socialist Workers Party railroaded to prison in the infamous Minneapolis Trial of 1941. At the time the Stalinists cheered the persecution of the Trotskyists and stood idly by while the government forged a weapon that could be used against any party or political grouping that differs with the party holding office.

Today the Stalinists are being prosecuted under this same law. Many trade unionists and defenders of civil liberties who have had first hand experience with the vicious practices of Stalinism are now cheering this persecution.

They thereby follow the precedent set by the Stalinists in the Minneaoplis Trial. Like the Stalinists, they stand idly by while the government grinds still sharper an axe that can be used against every section of the labor movement.

This is a stupid and fatal course. The Stalinists follow the monstrous policy of supporting only the civil rights of those with whom they are in political agreement; but that is no reason why we should ape them.

From a practical, hard-headed point of view, without the slightest sympathy for their poisonous politics, labor must come to the defense of the 12 Stalinists under indictment.

The labor movement today is fighting for its rights against Taft-Hartleyism, the current witch-hunt and "loyalty" purge. Full success in this battle requires an uncompromising defense of democratic rights, including defense of the right of the Stalinists to hold and advocate their peculiar views.

That will not interfere at all with cleansing the labor movement of Stalinism. In fact it will facilitate the job.

The Vatican and Indonesia

Once more the powerful political arm of the Vatican has reached out to strengthen imperialism. As it blessed and encouraged Mussolini's rape of Ethiopia in 1935, so today the Vatican is bringing influence to bear on the Netherlands government to complete the bloody annihilation of the Indonesian Republic.

A dispatch in the Jan. 10 *N. Y. Times* from its Hague correspondent, David Anderson, reveals that sabotage of negotiations between the Dutch and Javanese Republicans, both before the Dutch blitzkrieg and at the present time, has "been traced to intervention on the part of the Vatican, it was reported here today by a source beyond reproach."

According to Anderson's informant, the Vatican's intervention is "based squarely on the issue of Communism." The Vatican regards the Republic of Indonesia "as a hotbed of Communists, or at best an ideal breeding ground for them." As is well known, the Indonesian Republican leaders are bitter anti-communists who jailed both Stalinists and Trotskyists. But the Vatican insists the struggle of the Indonesian people for national independence—no different than the struggle of the American colonists in 1776—must be crushed.

Anderson also reveals how the Vatican exercises its sinister influence on the Dutch government. He reports that the Vatican transmitted "suggestions" to the Dutch Catholic political leaders by way of the Utrecht headquarters of the Netherlands Roman Catholic hierarchy. The political leaders were informed that the Vatican considered any negotiations leading to compromises with the Indonesian Republic's leaders as "highly undesirable" and "intolerable."

The key Dutch figures in the situation—Dr. Louis J. M. Beel, High Commissioner of the Crown in Indonesia; Emanuel Sassen, Minister for Overseas Territory; and Carl Romme, head of the largest party in the States General—are all Catholics and leaders of the Catholic Party. They have blocked all moves to restore negotiations.

The Vatican always cloaks its reactionary political activity with "religion" claiming that it is fighting "atheistic communism" to protect the religious freedom of Catholics. In the case of Indonesia, such a pretext is an obvious fraud. The Vatican's motives are strictly materialist. It undoubtedly has financial interests in companies with Indonesian holdings.

On Christmas Eve, Pope Pius XII called on "the nations of the world" to resist "aggression," if necessary even "by force of arms." Now it can be seen that the Vatican itself is a ruthless instigator of "aggression"—a secret partner in the Dutch assault on Indonesia that even the American capitalist press likened to Hitler's attack on the Netherlands.

Truman and Lynch-Murder

The Southern Bourbons have staged another of their mock trials. Two white lynch-murderers, positively identified as members of the hooded gang that shot down Robert Mallard near Lyons, Ga., Nov. 20 because they were jealous of his enterprise and financial success were released Jan. 11 after the jury deliberated 26 minutes.

Two jurors, who had sworn their "impartiality," stepped down from the jury box at a signal from the defense attorney and declared that they would believe nothing the widow of the colored victim might testify, since she had a "bad" reputation in the community while one of the lynch-murderers had a "good" one. In addition to this type of argument, the defense presented an obviously phony alibi for one of the identified killers.

A big share of the guilt for this travesty of justice rests squarely on the doorstep of the White House. Despite all his big campaign talk about civil rights, Truman did not intervene in this shocking lynch-murder case. He made no attempt to bring federal pressure to bear on the Georgia Bourbons. He did not use the vast powers of his office to see that the lynch-murderers were punished. He did not even drop so much as one of his "off-the-cuff" remarks to indicate where he stood.

These facts lead to only one possible conclusion: Truman's sympathies do not lie on the side of the murdered victim and his widow—the side of justice and civil rights. His real sympathies are with the Southern Bourbons.

That is why his campaign promises on civil rights remain up in the stratosphere while down on earth lynch-murder continues to rule the Southern courts.

A Discussion of Post-Election Trends

Readers Question Accuracy Of Estimate Printed Here

Editor:

The Militant of Nov. 15 contains an article by E. R. Frank entitled "Labor's Perspectives and the Meaning of Truman's Victory." The writers of this letter feel that at least in two respects this article does not give a correct analysis of the recent presidential election: first, on the estimate of a leftward swing and second, on the role of the trade union leadership as the political leaders of the American working class.

1. The article says: ". . . . The labor movement stands at the pinnacle of its strength and the election results will imbue it with an unprecedented self-confidence. We can surely look forward to a new insurgency on the part of labor, a further process of politicalization and a continued and augmented leftward swing." To say that the results of the election show that there is now a leftward swing of some proportions is not borne out by the facts.

What would indicate a leftward swing of measurable and not intangible proportions? An increase in strike struggles which take on the character of offensive struggles. Increasing action on the political field which takes more and more the form of independent political action and with the greater participation of the mass of the workers. If this is correct then we could only characterize the results of the 1948 elections as the faint beginnings or rather a turning point from which a leftward movement can proceed.

STILL ON DEFENSIVE

The strike struggles of 1948 have been far more of a defensive nature, lockouts provoked by the employers for the purpose of destroying the unions: packinghouse strike, West Coast maritime strike, West Coast oil strike, ITU, Boeing. Or they have been strikes entered upon reluctantly for the achievement of modest gains and settled even more modestly: e.g., Chrysler. Where there has been a genuine revolt of the ranks as in the East Coast Longshore strike the struggle did not get beyond forcing the official leadership to settle for some more than the original offers of the employers. The results in these cases has largely been that of the unions holding their ground, without our going into more specific differences in these strikes which does not in any way destroy our contention here.

It has been correctly pointed out in the past that when the workers are stymied on the economic field they turn to the political field for the solution of their problems. But that is not a process which takes place successfully and correctly overnight, even though we grant that its development will take place with great speed. To know that political radicalization is an inevitable development does not mean that the first indication of its possibility allows us to say, "This is it, it's here!"

Specifically in the 1948 elections, the best we can say is that reaction has been checked for a time; that a turning point has been reached; that now a regrouping of forces can take place. This conclusion is certainly warranted by examining the total vote. While a few more than in 1944 voted, the total was less than 1940; and this on top of an increased population. In addition, many industrial centers turned out in fewer numbers. Further, the voting choice of the workers was still the "lesser evil" of strikebreaker Truman and those Congressmen whom it was hoped would do something about the Taft-Hartley Law.

AN AWAKENING

The Stalinist taint on Wallace, Truman's out-doing social demagogy, plus scepticism that Wallace could deliver the goods was sufficient to flounder the fake-leftist and capitalist third party. The main target of the vote was against the 80th Congress and not for Truman. The workers, feeling around helplessly, voted in a negative fashion. Once again the myth that the Democratic Party is the liberal party continued in the thinking of the voting workers. All this does not indicate a mass rebellion against America's sixty families. It at most indicates an awakening.

To see in these developments a big leftward swing implied by the article can cause us to place our hopes too high in the immediacy of an active political radicalism of the American workers and lead to demoralization if these hopes are not realized as soon as hoped. The words of the article would have been better put if they had only said: "We can surely look forward to a new insurgency on the part of labor, the development of a process of political radicalization, and the beginning of a leftward swing."

THE UNION LEADERS

2. In our opinion the role of the trade union leaders in the election and thereby their role as political leaders of the American working class is incorrectly assessed in the article. The article says that the trade union leaders "emerged as the main organizational and social force behind Truman," and, paraphrasing: that they got out the labor vote; that they were decisive in reelecting Truman and changing the complexion of Congress; that their collaboration with Truman's social demagogy was the determinant in catapulting Truman back into power and swamping Wallace.

For thirteen years Roosevelt was the political leader of the American workers. The union leadership played a secondary role then. This is still true today. In this election the labor bureaucracy did not build up a candidate. What they did do was to help organize support for a sentiment that already existed. They helped to get out the vote but statistics show they were not too successful in this. If any comparison is to be made, it should be with the presidential elections for total vote, rather than the 1946 Congressional elections as the article does.

For us now to grant that the bureaucracy is the political leadership of the American workers might lead to some very serious mistakes in the future. A class political leadership of the workers has yet to be built. That the trade union leadership was a determining factor in the election can be granted, but only if the qualifications mentioned above are not lost sight of. To grant them more than this is to lean toward granting them leadership of a leftward swing of the working class. They are neither leaders nor capable of becoming leaders of a leftward swing which has up to now not tangibly developed. In carrying the anti-red drive into the unions, the trade union leadership helped to nullify support for Wallace. Their support to Truman in a sense was negative in character. Their greatest service to Truman was in their ability to stifle all opposition, to prevent independent action of the leftward moving elements in the unions.

Actually today the workers are without political leadership. American politics today is at the turning point. If the labor bureaucracy remains at the head of the labor movement with its support of the Marshall plan and its weak-kneed attitude toward the domestic problems of the trade unions, growing together with the machinery of the state, then we move further toward fascism and defeat. On the other hand if the revolutionary vanguard can play the guiding role, provide class political leadership, then we move toward socialism and security.

What is necessary is to correctly assess the present stage so that the tasks of propaganda, agitation and action can be properly pursued on the basis of this analysis. We do not think that the article of E. R. Frank's does this.

J. Long and M. Ellis,
San Francisco, Calif.

Chinese Trotskyists Hold Celebration Of 1917 Revolution

From China we have received the following interesting account of the celebration held by the Trotskyists of an unnamed city last November in honor of the October 1917 revolution in Russia:

On Sunday, Nov. 7, our regional organization met at the usual place. It was attended by nearly 100 youths of whom one-third were women.

The Internationale was sung. Then one minute of silence was observed in memory of those who died in the October Revolution and the world revolution. Afterwards a comrade talked on the significance of this meeting and of the October Revolution and the way it was betrayed.

Another comrade spoke on the revolution of 1905 and the February and October revolutions of 1917.

Then the meeting adjourned for lunch which was accompanied by songs and theatrical skits.

In the afternoon a comrade explained the betrayal of Stalin during the past 30 years, referring to the revolution in China and Spain and the situation in France. Another comrade spoke on the history of the Fourth International, its aims and activities up to the present time.

An aged worker then gave his impression of this meeting, how true it was that Stalinism had betrayed the interests of the workers and the genuine spirit of revolution although he had known nothing about all this during his past 20 years as a worker.

Later another comrade spoke about local activities and tactical problems. In conclusion he summed up the essence of the meeting: its concentration on theory and its will to translate theory into practice.

Philadelphia
Farrell Dobbs
National Chairman, SWP
—on—
TRUMAN'S PROGRAM & THE 81st CONGRESS
Sat. eve., Jan. 29, at 8:30
MILITANT HALL
1303 W. Girard Ave.

Objects to Use of Term, 'War Hero'

Editor:

The influence of capitalist public opinion is often very insidious and sometimes expresses itself in the most innocent-appearing words or phrases. Because The Militant is always very careful in this regard every error, even though minor, sticks out prominently.

The issue of Dec. 27 contains an item headed: "War Hero's Burial Made an Issue by White Supremacists."

I object to the use of the words "War Hero." The word "Hero" carries with it implied approval of his exploits. That is why the capitalist press is so quick to speak of "War Heroes." Place the word "Imperialist" before this phrase and see how it sounds.

Or think of General Stilwell or MacArthur or Eisenhower. Are they "war heroes"? To the capitalist class — yes! To us, they are reactionary, brutal, inhuman operators of an imperialist war machine.

And the rank-and-file soldiers — are they "war heroes"? No, they are fooled and drafted into fighting a reactionary, imperialist war.

Imagine the bitter reaction of a Jim Kutcher if he were called a "war hero." Working-class hero — yes! Hero in the struggle for civil rights — yes! But not hero of the imperialist war!

S. R.
San Pedro, Calif.

AN ANSWER TRACING MAIN POLITICAL DEVELOPMENTS IN LABOR MOVEMENT

By E. R. Frank

The important social developments and trends which led up to and were responsible for the Truman victory are traced in rounded fashion in the resolution "The Election Results and the Tasks of the SWP" to be printed in the February issue of **Fourth International.** All our readers are urged to study the document for an explanation of the events and the precise nature of the political period we are now in.

Comrades Long and Ellis believe my article in the Nov. 15 **Militant** implies a leftward swing of sizable proportions on the part of the American workers and that this is not borne out by the facts. Perhaps these questions can be clarified if we concretize our concepts.

The Truman election victory, taken as a whole and placed in the proper perspective of the developments since the war, can be viewed as nothing else but signifying a definite left shift in American politics. Let us recall the important stages of recent American history (in sequence): The labor movement in the United States has been in a coalition with the liberal wing of the capitalist class since the advent of the New Deal. This meant that the bureaucracy mobilized the labor ranks behind the capitalist program—but always receiving in return a smattering of secondary concessions.

After the war, the capitalists moved abruptly to break this coalition. First came the gigantic strike struggles. Rebuffed on this front, the capitalists struck politically and began hurling labor back all along the line. With the carrying through of the Taft-Hartley Law, the labor battalions were in full and ignominious retreat. In November 1948, the working masses—unexpectedly to the capitalists and to us as well—intervened in the elections as a class and put across their candidate. Thereby, they forced the capitalists back into the coalition which the latter had broken after the war and reinaugurated a period of New Dealism in American politics.

Further than that, they not only forced the capitalists, against their will, back into a coalition, but under a far superior relationship of forces for labor than had ever existed in the Roosevelt era. The Peoples Front bloc of the labor bureaucracy and the New Deal liberals within the Democratic Party boasts of greater influence than it ever approached in the past. It is imbued with self-confidence and the knowledge of its own strength. This is a new stupendous development, or more accurately, the consummation of what the labor bureaucracy and the liberals had been groping towards throughout Roosevelt's lifetime. Taken in its totality—and that is the only way for Marxists to view it — it unquestionably spells out a left shift in the American political scene.

It is true, as our correspondents point out, that the total vote was not spectacularly large, even less than in 1940, etc. But all these interesting and important aspects are secondary to the emergence of the working class as a **solid class bloc** voting in a more cohesive and conscious manner than ever before, and by its action, altering the position of the classes on the political chess board. Previously, it was never entirely clear whether the trade union bureaucracy was mobilizing the vote behind Roosevelt or just moving in behind his coattails. Today, both the labor bureaucracy and the working class are conscious that they are the king-maker.

CHARACTER AND LIMITS

Naturally, we don't approve or condone class collaborationism, Peoples Frontism and the politics of the "lesser evil." Naturally, the Truman victory provides the Democratic Party with a new lease on life, temporarily strengthens illusions in the efficacy of class collaboration politics and has already unmistakably retarded the agitation and movement for a labor party. Moreover, the workers are not presently engaging in broad class actions, but are in a mood of watchful waiting to see how far Truman will go in fulfilling his promises.

It is necessary therefore to understand not only that a left shift has taken place but also its specific character and limits; that the workers' political consciousness has not yet advanced leftward beyond acting politically as a class and better understanding its class power in the nation. (The resolution takes up in detail a number of tactical consequences of this specific conjuncture.)

Why is it important, nevertheless, to stress the significance of the left shift? Because behind the newly forged Peoples Front bloc of the labor bureaucracy and the liberals stands the might of a **politically organized** working class—not organized into its own class party as yet, and certainly not organized behind its own class program as yet, but organized for political action, nonetheless.

And that gives promise that as the workers become disheartened and disillusioned with the Democratic politicians, they will not simply sink into apathy or disperse in all directions, but will move forward in massive formation to the next political stage. Now, this has nothing to do with tempo. It does not imply either a rapid or a slow development of the working class towards a break with the Democratic Party or renewed militancy in the economic field. It is a question of the **main trend.**

Comrades Long and Ellis in discussing the labor bureaucracy write: "A class political leadership of the workers has yet to be built. . . Actually today the workers are without political leadership." Correctly understood, the first sentence is true. The second is absolutely false. We must, indeed, build a revolutionary political leadership or the working class movement will in the end know only defeat and disaster. And to that task we have dedicated our efforts, our energies and our lives.

But we socialist revolutionists are not contesting for leadership of a working class that is leaderless. Conditions are far different today than in the Twenties when radicals were struggling for leadership of a working class that was in the main unorganized not only politically but economically. Today, the combination of the labor bureaucracy and its liberal allies is the political leadership of the American working class. They are a mischievous, treacherous, good-for-nothing leadership, but they are the leadership just the same.

And this leadership, after the Truman victory, stands at the pinnacle of its power and authority—and knows it, and the Trumanites know it too. The Murrays and Reuthers and Greens are our rivals in the struggle over the minds and souls of the American workers and we will never win over these workers and fulfill our revolutionary mission until we have exposed the full perfidy of these reformist leaders to the broad ranks.

The letter goes on to state: "They are neither leaders nor capable of becoming leaders of a leftward swing. . ." This is erroneous. The American labor bureaucracy demonstrated only a few years ago in the 1945-46 strike wave that it is quite capable of making left shifts when the workers are surging forward, in order to maintain its hold on the mass movement.

We should not imagine that their present operation within the framework of the Democratic Party will necessarily be maintained for all time. Our task would be easy indeed, were that true and were the labor bureaucracy that inflexible. No. These scoundrels are quite capable of executing all sorts of left maneuvers and even propagating the most radical-sounding slogans under the stress of social necessity and mass pressure.

They are quite capable, in the event of a social crisis, brought on by one cause or another, when the masses are going left and demanding radical solutions, of moving their whole Peoples Front bloc right out of the Democratic Party and setting up a Third Party or even a labor party on the British model. It is instructive to recall that their blood cousins in England, Bevin and Morrison, assumed leadership of the 1926 British General Strike, no less, in order to maintain their positions and the better to behead the struggle.

All this demonstrates, of course, not only that we must wage an implacable fight against the labor bureaucracy but that we must understand the power of our adversary, that we must watch the trends and shifts attentively and without prejudice, and that we must be alert enough to adjust and alter our slogans in accordance with the changing reality.

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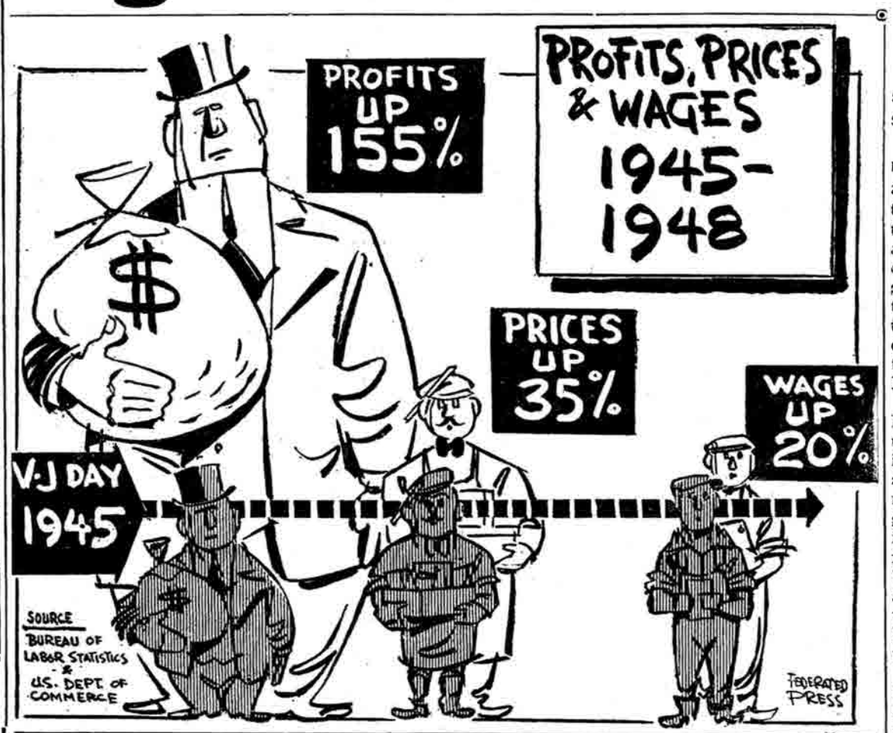
Politicians Try to Push Civil Rights Issue into Background



By J. Meyer

Truly the ways of capitalist politics and politicians are not strange and can be understood and foretold even by babes and sucklings.

Take President Truman's message and report, and budget, and the mass of press comment that it has evoked. The conventions and the election campaigns are fresh in our minds. It was civil rights on which the Progressive Party counted above all to expose President Truman. The turning point for the Democratic convention was the adoption of the plank on civil rights. The Dixiecrats seceded on this issue.

The Negro question burned like a flame at every platform meeting in the country. Speeches in favor of it drew thunders of applause. The Republicans did not oppose the civil rights program. Not at all. They were for it too. The Republicans claimed for Governor Dewey that New York had been the first to pass a state FEPC. The country as a whole could fairly be said to have been stirred on the question and to have indicated its wishes.

Now, behold! The president in his address declared that he stood firmly behind his promises on civil rights. Congress should have rocked with applause. No. The N. Y. Times chart of applause shows the civil rights declaration to be near the bottom of the list. To be fair to these politicians, it must be said, however, that they gave even less applause to control of inflation and low-cost housing. These are the issues on which they went to the people and won votes. But now that they are in they can scarcely summon up energy to applaud them.

What is the press saying? The **N. Y. Times** of Jan. 9 summing up the prospects of legislation places civil rights in the doubtful category.

The **N. Y. Post** of Jan. 6 says profoundly: The civil rights program will begin a new era for our citizens, etc., but calmly qualifies by saying "if enacted" and if the FEPC "is given sufficient funds to administer and enforce its edicts." Isn't this something? You'd think that what was at stake was some ordinance dealing with dog-catching or improving traffic jams.

The **Daily News** of Jan. 6 does not mention civil rights in its long editorial on the president's message. The **Daily Mirror** of the same date does exactly the same.

Now take the **N. Y. Star**, Jan. 7, which in a long editorial reviews press comments on the president's message. Civil rights? Not a word. Not a mumbling word.

And so it goes. The general attitude is overwhelmingly clear. Well, civil rights, let's take it easy, you can't do much about that anyway.

There are many indications that some sort of deal is being cooked up. The Southern Democrats may compromise for a poll-tax bill (while their gangsters terrorize Negroes from going to the polls and a Fair Employment Practices Bill (with no real enforcement powers.)

The politicians themselves are very active—fooling the people. **The Militant** has already drawn attention to Chester Bowles' appointment of a Negro military aide. Now Congressman Dollinger of the Bronx has gone one better. He has appointed a Negro as his secretary in Washington. Dollinger modestly explains his purpose. He wants to "find out." He and his secretary will go to a restaurant in Washington to "find out." Now that the election is won, Dollinger announces that he is going to appoint his own Civil Rights Committee as of 1949. And the Congressman is not going to make a stink. No sir, "there wouldn't be anything sensational about it. We're not putting on a show."

Finally, we can see which way the wind is blowing by a strange spiel from that arch-faker, Congressman Powell. It appears in the **N. Y. Age** of Jan. 8. The Congressman is worried. He writes practically an autobiography. He first introduced this bill, he first introduced that one, he first spoke in Congress on this Negro topic, he organized such and such committee. Then the Congressman opens up plenty of light. A bill is being introduced this week against segregation in the armed forces. But, says, Powell, "This bill is not necessary. President Truman has the power as Commander-in-chief of the armed forces to wipe out segregation in the armed forces now. I mean this instant."

Correct. The whole parade of bills and committees and rules, etc., is all bluff, fakery from first to last. Powell knows this. What he wants is to be in the clear. He says, "Whether any of these bills will be passed or not I do not know." Quite so. Nobody knows.

And then Powell seeks to clear himself. He says, "It must always be held in mind that I am one man among 435 and that if the President of the United States cannot get his majority in Congress to pass his bills, you know that I as a lone Congressman haven't a chance unless you, the people, continue to back me up by putting the pressure, not on me, but on those who are always sitting on the fence."

So this is the actual situation, this is the way the civil rights issue, so emphasized before the elections, has been transformed and pushed into the background today. It expresses for us the difference between the hypocritical rulers and politicians on the one hand and the great masses of the people on the other. It is a scoundrelly, rascally procedure which will continue until the people take hold of the government themselves.

Whither U. S. Capitalism?

By Art Preis

In Truman's first two reports to Congress, his "State of the Union" message and his Economic Report, he tried to show that American "free enterprise"—that is, the private profit system of capitalism—is structurally sound and durable.

Since 1929, he emphasized in his opening report, with a 20% increase in population, "our agricultural production has increased by 45%, and our industrial production has increased by 75%. We are turning out far more goods and more wealth per worker than we have ever done before."

"This progress," he boasts, "has confounded the gloomy prophets—at home and abroad—who predicted the downfall of American capitalism."

True enough, he admits, "many of our shortcomings stand out in bold relief," but these—particularly "the evils of 'boom and bust'"—can be overcome by incidental adjustments and reforms.

His Economic Report develops this theme. It notes that the U. S., as yet, has experienced no depression such as followed shortly after the end of World War I. And the reason for this, says Truman, is that "affirmative national policies and greater caution in the business community **combined with other developments** to make the economy more shock-resistant." (Our emphasis.)

If by "affirmative national policies" is meant the pre-war New Deal reforms, then it can be pointed out that all these together never pulled American capitalism out of the doldrums. It was "other developments" **after** 1939—that is, the war—which gave a new lease on life to American economy. By shooting the federal debt up to $279 billion, mortgaging the future wealth of the country to the bankers and bond-holders, providing a government war market and guaranteed profits to the industrialists, Washington was able to prop up the economy once more.

These "other developments" have continued to shore up American capitalism. "While the prosperity of the post-war years has been great," Truman admits "it has rested considerably on somewhat **temporary** factors which were the aftermath of war. . . The momentum of **war-created** demand and **war-created** purchasing power has waned." (Our emphasis.)

Indeed, without a continuation and an acceleration of government **war spending** since the end of hostilities, American capitalism would have experienced its "bust" before this. What would happen to American capitalism, for instance, if it did not spend $25 billions a year now for military preparations at home and abroad? Truman does not say.

And what do the American people get out of it? Truman gives the answer away in one brief sentence of his Economic Report: "The proportion of consumer expenditures in the total national product has never been **lower in any peacetime year for which statistics are available.**" (Our emphasis.)

That is, the American workers are getting a smaller share of what they produce than at any time since the last century. The gap in the division of wealth between the ever-growing working class and the ever-narrowing capitalist class has reached its widest point precisely at this moment of greatest prosperity.

This, then, is the outstanding feature of American capitalism: It cannot sustain production except by the temporary, and ultimately destructive, stimulant of war and war preparations; it cannot sustain war production except by constantly decreasing the relative share of the workers in the national product. Such an economy is headed either for another war or another depression.

Humphrey and Labor

By Grace Carlson

Minnesota militants read Arthur Naftalin's article on Senator Hubert Humphrey in the Jan. 1 **New Leader** with a jaundiced eye. They do not find themselves in agreement with Professor Naftalin's confident conclusion that Senator Humphrey has the Minnesota labor movement in his vest pocket.

Not that the former secretary to Mayor Humphrey and the present Asssitant Professor of Political Science at the University of Minnesota says it just that way! Professor Naftalin puts it in far more academic language, to be sure:

"The labor leadership is bringing to the Democratic-Farmer-Labor Party activity a strong feeling of identification with the welfare of a great rank-and-file, and the labor leaders have demonstrated an attentive, conscientious interest in the future progress of the entire liberal movement."

But weeks before Naftalin's article appeared in the **New Leader**, Minneapolis "great rank-and-file" of the labor movement demonstrated their devotion to the "future of the entire liberal movement" by decisively repudiating the so-called charter reform plan advocated by Humphrey, Naftalin and their followers.

Despite the earnest pleas of members of the United Labor Committee in Opposition to the Proposed Charter, Humphrey went on the radio several times to call for support of a new and more undemocratic city charter. The Minneapolis labor movement fought back! Leaflets, billboards and other propaganda agencies blazoned out labor's opposition to the new charter:

"The new charter permits sales taxes on the necessities of life. . ."

"Labor opposes the proposed new charter because **one man** (The Mayor) would make appointments to the Park Board, the Library Board, City Treasurer's office and City Comptroller's office."

"Under the present charter, the Mayor is elected for two years. If the Mayor should turn out to be a strike-breaker, labor could undoubtedly defeat him the next time he came up for election. Under the new charter, the Mayor who has the police power at his disposal, holds office for four years and could continue to break strikes for four years before we could remove him."

With these and similar working class arguments against the charter, Humphrey and the "liberals" were defeated in the special Minneapolis charter election. Here is the way **Minneapolis Labor**, the state CIO paper, summed it up:

"Buried under a deluge of labor votes, the proposed city charter went down to resounding defeat in the special election Dec. 6. The tally was 39,459 for the change; 54,378 against.

"'It is a wonderful victory for labor,' said Robert I. Wishart, president of the Hennepin County CIO Council and one of the outstanding opponents. 'Labor was 98 percent opposed to the new charter'."

On the night of the charter election, Senator-elect Humphrey was honored at a special banquet by Minnesota's "civic-minded" citizens. But trade union representatives stayed away in droves!

A Lesson in Democracy

By John G. Wright

Everybody knows that the German people have been undergoing an intensive course of "re-education" in the democratic way of life under the benign tutelage of American occupation authorities. Educator-in-chief has been Gen. Lucius D. Clay. What sort of lessons has this "democrat" been teaching the German people? Here is the latest one, the direct recipients of which have been the inhabitants of the state of Hesse.

Back in 1947 the population of Hesse voted to adopt a state constitution. It contained a special provision — Article 41 — empowering the nationalization of basic industries, principally coal and steel. Gen. Clay ordered at the time that voting on this Article had to take place separately. Despite the general's obvious disapproval, the nationalization proposal was carried by an overwhelming majority. The U. S. military government gave its approval to the state constitution. The German leaders, first and foremost the Social Democrats, boasted at the time of this "genuinely democratic" procedure.

Under the Hesse law, the basic industries were supposed to be taken from their former owners—who were Nazis—and placed under the control of public bodies. Strangely enough, however, this was not done. Some steel and coal companies were placed in the hands of trustees while the measure as a whole was left in abeyance.

Such was the state of affairs in Hesse until Dec. 14, 1948 when the local authorities were suddenly ordered by a military government decree to return the coal and steel enterprises to former owners.

This decree was based on Gen. Clay's "Law No. 75" which he issued on Nov. 10, 1948 and whose avowed purpose was to assure the "decartelization" of German industry. The Hesse coal and steel industries, according to Francis E. Sheehan, acting director of the Hesse military government, "were parts of cartels (to) be restored to former owners so that decartelization under Law 75 could be carried out." (**N. Y. Times**, Jan. 5.)

This order is in obvious violation of the Hesse constitution, overwhelmingly adopted and "democratically" ok'd by Gen. Clay himself. The last time nationalized branches of German industry were returned to their "former owners" was under Hitler. The pretext, to be sure, was different, but the procedure was the same—an arbitrary decree.

As for cynicism, Clay's henchmen vie here too with the Nazi propaganda machine. The Nazi liars spouted anti-capitalist demagogy while working cheek by jowl with the German monopolists. The American brass hats pretend they are "de-Nazifying" German industry — how? By returning its key sectors to the self-same German monopolists!

This "lesson in democracy" was too much to swallow even for the case-hardened German Social Democrats and Christian Democrats. The Hesse Minister-President has refused to comply with the order and the State Cabinet has threatened to resign. Meanwhile Clay's Law No. 75 is the law of the land.

Buffalo UE Votes Down Frame-Up Trial Move

BUFFALO, Jan. 10 — By a vote of 130 to 97, the Westinghouse workers of Local 1581, UE-CIO last night beat back an attempted frame-up of George E. Gould, former president of the local. In a tumultuous session, which dragged into the evening hours, the membership rejected the majority report of the trial committee which found Gould guilty on two charges of salary overdrawing and recommended that he be suspended from the union for five years and fined $262.

The minority report found Gould was not guilty of any illegal salary overdrawals and that he had properly accounted for finances during his term of office. The minority report also found that the trial was conducted unfairly and in violation of the union's by-laws and constitution.

It pointed out that the charges against Gould were not even signed by his accusers. The recognized plaintiff, William Evans, had withdrawn the charges in the midst of the trial and branded them a farce. The chairman of the trial committee, Elliot Becker, quit the plant and disappeared. The election of Becker's successor, Julius Terranova, was invalid because at the time of his election to the trial committee, he had resigned from the union and was not a good-standing member of the local.

The trial, which began more than two months ago, engendered the bitterest factional strife in the local's history. The conservative forces in the local were grouped in the Rank and File caucus. The militant and progressive elements rallied behind the newly-formed UE Solidarity caucus. The Stalinists who were thoroughly discredited and isolated after their ouster from the local leadership last year, constituted themselves as an independent group lacking all support from the ranks.

The Stalinist program consisted of loud condemnations of "factionalism" and exhortations to "rally behind the UE leadership and its program." Their spouting of radical phrases was in marked contrast to the support they gave to the conservative Rank and File caucus on every important occasion.

On the decisive issue of the Gould verdict, they declared at the meeting that they were in agreement with the guilty verdict but sought to cover themselves on the left by asking for a lighter sentence. When their motion for $150 fine, minus the 5 year suspension from the union, proved a failure, they demonstratively walked out just before the house divided to vote on the verdict.

Gould's victory was not merely a vindication of his record and standing in the local, it was a demonstration of the growing influence of the UE Solidarity caucus. During the drawnout trial proceedings, there were many desertions from the Rank and File caucus but not even one from the Solidarity group.

The factional battle in the local has some interesting political sidelights. The conservative faction, composed of many vociferous proponents of the Association of Catholic Trade Unionists' policy, has the active support of friends of the Shachtmanite **Labor Action** political line. The latter, who have from the beginning made Stalinophobia their principal stock in trade, were not at all embarassed to find themselves in a stealthy but nonetheless real alliance with the Stalinists as well as the right-wingers against Gould and the militants in the Solidarity caucus.

When it became obvious to **Labor Action's** friends in the plant that the two factions were about evenly divided in strength, they opportunistically dropped their anti-Stalinist propaganda in an all-out effort to gather up votes against the militants. Their ignominious failure is a tribute to the many active militants in the plant who understand the score. The Gould victory is bound to raise the prestige of the Solidarity caucus and strengthen their influence in the ranks.

New Haven SWP Opens New Office

The New Haven Branch of the Socialist Workers Party this week announced the opening of its new office at 6 Church St., Room 311. The office will be open Wed. and Fri. from 8 to 10:30 P. M. Marxist literature is on sale. The telephone number is 7-8780.

Wallace Throws Another Boomerang

By George Clarke

The outstanding mark of a capitalist liberal is his attitude towards his campaign promises after election. None of his promises to the people is ever fulfilled by more than half, most of them by less than half and some of them not at all. In gambling, this procedure is known as welching. Fifty percent welching is not held in much higher esteem than reneging 100 percent. You're either a welcher or you're not. In politics, however, there are different standards. A conservative is expected to go back on his promises entirely. But Truman, who welches from 50 percent upward on his campaign pledges, receives great acclaim as a "liberal."

Now it comes with ill-grace for Henry Wallace, who played at this game of welching liberalism for 13 years as a Roosevelt cabinet member, to bitterly accuse Truman of a "fatal retreat from his pre-election commitments." Does Roosevelt's record—or Wallace's — stand up any better than Truman's as far as the fulfillment of campaign promises is concerned? Roosevelt would thunder against the "economic royalists" but each administration saw the "money changers" more firmly ensconced in the temple than the previous one. In Roosevelt's own words, "one third of the nation was ill-fed, ill-clothed and ill-housed" after years of campaign promises to improve the living conditions of the people.

Yet during the recent campaign, Wallace held up Roosevelt as his model and inspiration. When Roosevelt died and was succeeded by Truman, the Brass Hats and the Wall Street Kings came in the door while liberalism went out the window — that was the main burden of Wallace's campaign oratory. Now in all fairness to Truman, it cannot honestly be said that he has welched more than Roosevelt. If anything, Truman is asking for more than his predecessor ever did — which is still not very much as far as the needs of the people are concerned.

Perhaps it will be said in Wallace's defense that the man has learned from the past and has now turned over a new leaf. What does he now propose that is different from Truman? He says in essence that social reforms must remain meager so long as the lion's share of the budget is assigned to military purposes and for foreign commitments in connection with the prosecution of the "cold war" with the Soviet Union. Now that is all right, as far as it goes. But what is Wallace's solution?

His statement on Truman's budget message makes three demands: 1. Arrange a meeting between Stalin and Truman on neutral territory. 2. Stop the cold war. 3. Channel military production into constructive non-military use.

Let us suppose that Wallace's first two propositions were accepted. In view of the catastrophe suffered by the Marshall-Truman Doctrine in China and to a lesser extent in Greece, a deal is by no means inconceivable.

Would such an agreement, if consummated, result in the abandonment of the military and foreign aid expenditures? Only utter ignorance of the world aims of American imperialism and its fundamental social antagonism to the USSR could lead to such a conclusion. Even if Washington could temporarily settle its differences with the Kremlin on Germany, Austria, Greece and other disputed questions, it would not thereby cease in its attempts to build a Western bulwark against the Soviet Union, nor dismantle its military bases throughout the world nor discontinue stockpiling atom bombs and other armaments.

There are powerful internal compulsions for American capitalism to continue its huge military expenditures, cold war or not. David Lawrence writes in **U. S. News & World Report** that the $15 billions annual armament expenditures "have given America a false sense of prosperity." An end to these expenditures, he says, creates "the possibility that the props might abruptly be pulled from the entire economic structure of the United States, bringing on an upheaval of incalculable force and intensity."

Wallace does not even give a second thought to this real possibility. He cannot, in truth, do so and maintain his fallacious and demagogic theory of "progressive capitalism." Capitalism can no longer keep the wheels of industry running for any extended period of time on any other basis than a war economy. Nor will the modest expenditures for social reforms proposed by Truman — or even twice that amount — prevent a depression.

This was the lesson of the New Deal, Roosevelt's "progressive capitalism." After four or five years of priming the pump with what Wallace calls "constructive non-military" expenditures, production was still dragging at low levels and there were still up to 11,000,000 unemployed. Roosevelt gave up the New Deal as a bad job and switched to a war economy program. The boom did not begin until 1941 when billions of dollars in war orders began pouring into the factories. Wallace was a member of Roosevelt's cabinet during all these years. Judging from the record and from his 1948 campaign statements, he was in thorough agreement with Roosevelt's policies. What are his present statements worth in view of his past record and the present economic and political reality?

Wallace's program solves nothing. There can be no solution to the contradictions of the American economy without expropriating the big monopolies and trusts. And this money power, which will go along with a few of Truman's paltry reforms in lush times will fight to the death against these reforms when the profits disappear and depression conditions appear.

Can Wallace be ignorant of these elementary facts of life? Or is he up to his old game of pulling the wool over people's eyes? We surmise it is both.

OAKLAND FEPC LAW DEFEATED BY CITY COUNCIL

By Joseph Bryant

OAKLAND, Calif., Jan. 6 — Before an audience of 500, most of them Negroes, a visibly uneasy Oakland City Council by a 5-to-4 vote defeated a city ordinance to end discrimination because of race in civil service and the hiring of workers by private employers on all jobs contracted from the city.

During the hour and half debate, some of the bitterness that characterized the last councilmanic election came to the surface. The Negro audience participated by applauding those councilmen who supported the ordinance and hissing those who opposed it. Vainly, Mayor Joseph Smith pleaded, "No demonstration."

Councilmen Lanz, Pease, Weakley and Smith supported the ordinance. They were elected to office by the labor-supported Oakland Voters League as an aftermath to the Oakland general strike, and have broken the 25-year grip on the council by the Knowland machine.

At the first reading of the ordinance, Pease, a railroad worker, was opposed to it, but under the pressure of labor and the Negro people he voted for it.

Both the CIO and AFL unions spoke in favor of the ordinance, but the most effective speakers were a Negro minister named Dan S. White and the packed council room of Negro workers. Rev. White stated that during the war he had preached patience and tolerance to the Negro with the promise that they would receive justice at the end of the war. That justice has not been forthcoming, he said, and the Negro preachers can no longer hold back the growing tide of resentment.

Originally, the Mayor's Committee on Civil Unity and the local NAACP planned to back this anti-discrimination ordinance quietly, with only a few white liberals appearing to urge its passage. This was calculated to impress the council that well-meaning and respectable white people were altruistically concerned with the ordinance as a measure of community uplift. However, when news of the ordinance became known, there was a spontaneous reaction and turnout by the Negro community.

After the ordinance was defeated, a motion was made and passed to place it on the ballot in the coming April elections. This affords the Oakland NAACP an excellent opportunity together with labor to make fair employment a major issue in the election and possibly to elect a Negro councilman. Already the Negro masses have demonstrated their desire to do so.

The Oakland Branch of the Socialist Workers Party is urging the NAACP and other Negro organizations to cease their possum-like attitude and take a leading role in this fight. The Bay Area Negro Committee of the SWP also sent a letter to the City Council urging the passage of a strong ordinance enforced by Negro and white workers.